

Message Text

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PAGE 01 STATE 062244
ORIGIN EB-03

INFO OCT-01 ISO-00 /004 R

66011
DRAFTED BY EB/FTD:CANGEVINE:HM
APPROVED BY EB/FTD:CANGEVINE

-----220720Z 032958 /23-12

R 211932Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY LONDON
AMEMBASSY BONN
AMEMBASSY TOKYO
USMISSION EC BRUSSELS
AMEMBASSY BRUSSELS
AMEMBASSY BRASILIA
AMEMBASSY NEW DELHI
AMCONSUL HONG KONG
AMEMBASSY SEOUL
AMEMBASSY STOCKHOLM
AMEMBASSY HELSINKI
AMEMBASSY OSLO
AMEMBASSY SINGAPORE
AMEMBASSY MANILA
AMEMBASSY MEXICO
AMEMBASSY BOGOTA
AMEMBASSY ISLAMABAD
AMEMBASSY THE HAGUE
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY TAIPEI
AMEMBASSY KUALA LUMPUR

LIMITED OFFICIAL USE STATE 062244
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PAGE 02 STATE 062244

FOL RPT GENEVA 2104 ACTION SECSTATE INFO OTTAWA EC BRUSSELS
19 MAR 77 QUOTE

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E.O. 11652: N/A

TAGS: GATT

SUBJ: MFA/GATT TEXTILES COMMITTEE

1. GATT TEXTILES COMMITTEE (TC) MET MARCH 16 AND 17 TO CONTINUE CONSIDERATION OF FUTURE OF MULTIFIBER ARRANGEMENT (MFA). ALTHOUGH UNWILLING TO MAKE CONCRETE SUGGESTIONS OR TO ENTER "NEGOTIATING PHASE", THE EC, CANADA, SWEDEN (ON BEHALF NORDICS), AUSTRIA AND AUSTRALIA ALL PRESENTED THEIR IDEAS FOR CHANGE IN GREATER DETAIL. U.S. AND JAPAN EXPRESSED SUPPORT FOR MFA RENEWAL WITHOUT CHANGE, URGED TC TO PROCEED WITH WORK OF RESOLVING DIFFERENCES, AND EXPRESSED WILLINGNESS TO LISTEN TO AND JOIN IN DISCUSSION OF ALL PROPOSALS FOR IMPROVEMENT OF IMPLEMENTATION OF MFA. OTHER DEVELOPING EXPORTING COUNTRIES SUPPORTED RENEWAL WITHOUT CHANGE; INDIA, EGYPT, BRAZIL NOTED THAT AREAS SUGGESTED FOR CHANGE BY IMPORTING COUNTRIES WERE ALSO THOSE WHICH EXPORTING COUNTRIES WISHED TO CHANGE, BUT IN OTHER DIRECTION. IF IMPORTING COUNTRIES WERE TO PROPOSE CHANGES, EXPORTING COUNTRIES SAID THEY WOULD DO SO TOO. CHAIRMAN LONG ANNOUNCED THAT HE WOULD CONSULT WITH DELEGATIONS TO DETERMINE WHEN PARTIES ARE READY TO MAKE PROPOSALS AND TC COULD BE CALLED BACK INTO SESSION, BUT NOT LATER THAN WEEK OF APRIL 18.

2. ARTHUR, SPEAKING FOR CANADA, NOTED THAT MFA WAS DEROGATION FROM GATT AND SHOULD BE USED SPARINGLY; CONTINUED RECOGNITION OF CANADA'S RIGHT TO USE GATT ART XIX WAS FUNDAMENTAL TO CANADA'S CONTINUING PARTICIPATION IN THE MFA. CANADA FURTHER THOUGHT THAT THE RELATIONSHIP LIMITED OFFICIAL USE

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PAGE 03 STATE 062244

BETWEEN HIGH IMPORT PENETRATION AND BASE PERIODS, GROWTH RATES, CARRY FORWARD AND SWING AND CUMULATIVE MARKET DISRUPTION SHOULD BE CONSIDERED. HE SAID IT WAS ESSENTIAL THAT THERE BE NO PERMANENT SEATS ON THE TSB. SWEDISH AMB. CRAFOORD, SPEAKING FOR NORDICS, REGRETTED THAT MVP CLAUSE HAD NOT BEEN RECEIVING RECOGNITION DURING RECENT MONTHS; NEW MFA MUST ALLOW THEM TO SEEK CONSULTATIONS WITHOUT "SHARP INCREASE". HE CONTINUED THAT BASE PERIOD UNDER ANNEX B SHOULD BE EXTENDED TO 24-30 MONTHS, TSB SHOULD BE MORE BALANCED AND REPRESENTATIVE, AND THAT HAND-LOOM DEFINITION SHOULD BE CLARIFIED, POSSIBLY WITH HAND-LOOM IMPORTS BEING LIMITED TO PORTION OF FACTORY MADE IMPORTS. AUSTRIAN CITED BASE PERIOD IN ANNEX B AND CUMULATIVE IMPACT AS PRINCIPAL PROBLEMS. MEYNELL, FOR EC, ALTHOUGH UNABLE TO COMMENT ON GLOBALIZATION, STATED: BASE PERIOD IN PARA (1)(C) OF ANNEX B NOT BALANCED BECAUSE DIFFERENT FROM PARA 1(A); 6 PERCENT GROWTH RATE WAS REFERENCE AND EXCEPTIONS WERE POSSIBLE, INVERSELY RELATED TO DOMESTIC PRODUCTION AND CONSUMPTION; FORESTALLING LED

TO HIGH LEVELS; HAND LOOMS SHOULD BE CAREFULLY DEFINED (INCLUDING PROHIBITION USE OF ANY MACHINE); AND TSB SHOULD BE MORE RESPONSIVE AND BALANCED, PERHAPS SLIGHTLY LARGER.

3. PRINCIPAL EXPORTING SPOKESMEN WERE PAKISTAN, EGYPT, BRAZIL, MEXICO AND INDIA. IN GENERAL, ALL EXPORTING COUNTRIES OPPOSED IMPORTING COUNTRIES' VIEWS OF IMPROVEMENTS AND SUPPORTED RENEWAL WITHOUT CHANGE. PRINCIPAL SPEAKERS STATED THEY WOULD OPPOSE ANY CHANGES MAKING MFA MORE PROTECTIONIST. INDIA, PAKISTAN, MEXICO AND BRAZIL STATED THAT IF MFA WERE TO BE MADE MORE PROTECTIONIST, THEY WOULD NOT PARTICIPATE AFTER 1977, PREFERMING TO TAKE THEIR CHANCES WITH GATT. THESE FOUR AND MALAYSIA ALSO NOTED THAT TEXTILE TRADE COULD BE TAKEN UP IN OTHER FORA, SUCH AS NORTH-SOUTH DIALOGUE. PHILIPPINES SUGGESTED EXTENSION FOR ONE YEAR.

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PAGE 04 STATE 062244

4. COMMENT: EXPORTING COUNTRY RESPONSES WERE NOTABLY RESTRAINED IN TONE; BEHIND SCENES THEY VERY FIRMLY OPPOSED CHANGES AND MADE CLEAR THEY WOULD RAISE ISSUE IN NORTH-SOUTH DIALOGUE FORA AND MTN, IF EC PERSISTS.
SORENSEN

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, IMPORTS, COMMITTEE MEETINGS, FIBERS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE062244
Document Source: CORE
Document Unique ID: 00
Drafter: CANGEVINE:HM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770097-0571
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770338/aaaabgyx.tel
Line Count: 146
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 34a2d4b4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3044244
Secure: OPEN
Status: NATIVE
Subject: MFA/GATT TEXTILES COMMITTEE
TAGS: ETRD, AU, AS, US, GATT
To: LONDON BONN MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/34a2d4b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009